



July 6, 2005

Docket No. 05-015-1
Regulatory Analysis and Development
PPD, APHIS, Station 3C71
4700 River Road, Unit 118
Riverdale, MD 20737-1238

RE: Docket No. 05-015-1, National Animal Identification System Draft Strategic Plan

Dear Sir or Madam:

The Kansas Livestock Association (KLA) is pleased to submit comments on USDA's draft strategic plan for the National Animal Identification System (NAIS). KLA is a trade association representing nearly 6,000 members involved in all segments of the beef production system, including cow-calf producers, seedstock suppliers, stocker operators, cattle feeders and feedyard owners. The beef industry is a key component of the Kansas economy, generating over \$5.6 billion in cash receipts during 2004.

KLA members are keenly interested in the development of a uniform national identification system for cattle. Our animal ID working group has met several times over the last 15 months to consider this important issue. KLA members have approved policy supporting a national animal identification system capable of rapid traceback in the event of an animal disease outbreak. KLA policy supports an identification system that optimizes the role of the private sector and protects producer confidentiality.

KLA members are concerned about the U.S. beef industry's ability to rapidly conduct epidemiological investigations. They also are interested in the ability to efficiently add value to their cattle by verifying origin, age, production practices and other key information being sought by the marketplace. We believe a national identification system must address both animal health and verification needs. Our members believe a public-private partnership is the best approach for this effort.

KLA shares many of the concerns outlined in the draft as stakeholder concerns. These include the question of a voluntary versus mandatory program, confidentiality, costs and flexibility. Our concerns are detailed below:

Voluntary versus mandatory program

KLA members' primary concern is an identification system that provides for effective tracking of animal movement to allow for rapid traceback in the event of an animal disease outbreak. Our preference would be to accomplish this through an industry and market-driven identification system that relies on voluntary participation. The KLA working group believes an appropriately designed, privately held system has the potential to gain enough voluntary participation to allow

rapid traceback for animal health purposes. KLA supports the rapid development of a privately held identification system that allows the industry to quickly determine voluntary participation levels. Our members then will be better able to determine whether mandatory participation is necessary to meet the goal of rapid traceback.

Confidentiality

KLA members strongly believe information contained in the animal identification system must remain confidential. Recent experience shows information related to animal disease investigations can be requested through freedom of information requests. Release of that information can result in economic harm to both the affected producer and the industry as a whole. We believe a privately held animal identification system will be better able to satisfy producer concerns regarding confidentiality of information.

Costs

KLA members expect the costs of implementing a national animal identification system will be shared among industry participants and state and federal government. We believe a privately held animal identification system will be less costly than one implemented and managed by USDA. Our members believe federal funding should be used to aid in the infrastructure investment needed to enable the recording of individual animal movement.

Flexibility

KLA believes the system must be flexible and able to work with existing animal identification systems. Our members also desire a system that provides for rapid animal health traceback and facilitates verification programs being developed and implemented throughout the beef industry.

KLA strongly supports the ongoing premises registration effort being conducted by states with the support of USDA. We believe a joint federal and state approach is appropriate for premises registration. Premises registration is a natural extension of existing programs already administered by state animal health departments and an appropriate place for government involvement. We encourage USDA to continue efforts to support premises registration, including funding for the necessary equipment and to support informational and educational efforts.

In terms of individual animal identification, KLA supports efforts underway by the National Cattlemen's Beef Association (NCBA) to develop a privately held, multi-species national animal identification system. Our members strongly believe NCBA's approach will better serve the cattle industry than would a system held by USDA. Our members believe concerns over confidentiality, costs and flexibility are better addressed by a private-sector approach than a USDA system.

KLA members do believe USDA can play a key role in helping fund the infrastructure investments needed to make tracking of individual animal movements possible. The cost of the equipment necessary to electronically record individual animal numbers is prohibitive for many key participants in the marketing segment of the beef industry. Yet these participants provide essential services to many cattle producers across the country. We strongly encourage USDA to address the infrastructure investments needed to implement a national identification system that tracks individual animal movement.

KLA submits the following answers to questions outlined by USDA in the draft document.

The Draft Strategic Plan calls for making the entire system mandatory by January 2009. Is a mandatory identification program necessary to achieve a successful animal disease surveillance, monitoring and response system to support federal animal health programs?

KLA supports a national animal identification system that provides for animal disease surveillance, monitoring and rapid traceback. Our members support the development of a privately held system that allows voluntary participation to begin as soon as possible. Support for a mandatory identification system would be based on the ability, or lack thereof, of voluntary participation to provide an identification system that meets the animal health needs of the industry.

Again, our members desire to protect and advance their business interests by implementing a robust animal identification system that serves both animal health and verification needs. A high level of participation is needed for a system to provide rapid traceback capabilities. Our hope is participation will be high enough on a voluntary basis to meet that need.

Are the timelines for implementing the NAIS, as discussed in the Draft Strategic Plan, realistic, too aggressive (i.e. allow too little time) or not aggressive enough?

KLA members believe a database network for a national animal identification system needs to be available as soon as possible. Many of our members are concerned about access to international markets and meeting verification requirements of domestic beef purchasers. We believe a privately held system, such as the system proposed by NCBA, is best-suited for this purpose as well as to provide for tracking animal movements. We would not support arbitrary deadlines for mandatory animal movement tracking that would disrupt commerce.

It is important for USDA to realize the tremendous infrastructure investment that will need to occur to allow tracking of individual animal movement. The beef industry has developed very efficient marketing methods for bringing together buyers and sellers. Significant investments in tag readers and other hardware will be needed to maintain that efficiency. Much of the equipment the industry anticipates using has yet to be proven effective in the manner in which the beef industry will apply them. Our members are concerned about the additional stress cattle will be subjected to if transactions cannot be conducted efficiently.

We are aware that many producers are concerned about the confidentiality of the information collected in the NAIS. Given the information identified in the draft documents, what specific information do you believe should be protected from disclosure and why?

Confidentiality of producer information is a key concern of KLA. We believe all producer information should be protected from disclosure. Release of producer information associated with a national identification system could result in severe economic harm to the individual producer and the beef industry as a whole. We believe legislation should be enacted to protect

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producer information. We also believe a privately held system is the surest way to protect producer confidentiality.

APHIS is requesting comment from stakeholders regarding the utility of a privately managed database for holding animal location and movement information. Among the issues you may wish to comment on are the following: 1) How should a private database system be funded? 2) Should the NAIS allow for multiple privately managed databases? 3) Should a public (government) system be made available as well as a privately managed system so that producers would have a choice? 4) Should a privately managed system include all species? 5) Would either system work equally well at the state level?

1) KLA believes a single centralized database held in the private sector can and will provide the greatest flexibility in use for USDA. Much of the costs associated with the development in the private sector have been born by existing entities. NCBA's Animal Identification Commission has estimated that a minimal tag surcharge will adequately cover the costs of implementing a system. All producers would pay the same rate and the system, operated though an independent consortium, could regularly evaluate its operations for greater efficiency.

2) KLA believes a single private network system should exist that allows an unlimited number of qualified private companies to offer movement-recording services to producers and feed such movement information in to this system.

3) KLA believes that government should not offer a system that competes with a private-sector network system. We believe a private system can and should allow producers who do not wish to use a private company to enter movement information at no cost associated with those movements. Producers utilizing existing systems should be able to continue to utilize those systems.

4) KLA believes a privately managed network system should accommodate all species covered by NAIS.

5) With a miniscule amount of funds available to most state animal health agencies, we do not believe states will be able to offer an animal database system as efficiently and effectively as a private animal database network.

The Kansas Livestock Association appreciates the opportunity to comment on this important issue. We encourage continued dialogue between USDA and industry participants as this issue moves forward. We strongly encourage USDA to support the development of a privately held database for the NAIS. A private system provides the best opportunity to minimize costs, protect producer confidentiality, meet industry needs for verification programs and still provide animal health officials the information necessary to protect animal health. KLA stands ready to work with USDA to develop just such a system.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas Toll". The signature is stylized with a large, sweeping initial "T" and a cursive "Toll".

Thomas Toll
President